

Bureau of Land Management, Interior

§ 3283.4

the expiration of the 60 days, the unit operator demonstrates to BLM's satisfaction that the basis for BLM's determination is erroneous or has been rectified, BLM will not terminate the participating area.

Subpart 3283—Modifications to the Unit Agreement

§ 3283.1 When may the unit operator modify the unit agreement?

(a) The unit operator may propose to modify a unit agreement by submitting an application to BLM that:

- (1) Identifies the proposed change and the reason for the change; and
- (2) Certifies that all necessary unit interests have agreed to the change.

(b) BLM will send the unit operator written notification of BLM's decision regarding the application. Proposed modifications to a unit agreement will not become effective until BLM approves them. BLM's approval may be made effective retroactively to the date the application was complete. BLM may approve a different effective date, including a date the unit operator requests and for which the unit operator provides acceptable justification.

§ 3283.2 When may the unit operator revise the unit contraction provision of a unit agreement?

(a) The unit operator may submit to BLM a request to revise the unit contraction provision of a unit agreement, if the unit operator has either:

- (1) Commenced commercial operations of unitized resources; or
- (2) Completed a unit well that produces or utilizes geothermal resources in commercial quantities.

(b) The request may propose an extension of the unit contraction date and/or a partial contraction of the unit area, and must include the following information:

- (1) The period for which the revision is requested; and
- (2) Whether an extension of the unit contraction date and/or a partial contraction of the unit area is requested.
- (c) The request should address the following factors when applicable:
 - (1) Economic constraints that limit the opportunity to drill and utilize the resource from additional wells;

(2) Reservoir monitoring or injection wells that BLM determines are necessary for unit operations are not located in the participating area;

(3) An inability to drill additional wells is due to circumstances beyond the unit operator's control, and a unit well that has produced or utilized in commercial quantities already is located in the unit;

(4) The types and intensity of unit operations already conducted in the unit area;

(5) The availability of viable electrical or resource sales contracts;

(6) The opportunity to utilize the resource economically; or

(7) Any other information that supports revision of the unit contraction provision.

(d) BLM will consider the factors discussed along with any other information submitted, and will approve the request if we determine that the revision is in the public interest. The approval may be subject to conditions such as requiring an annual renewal, or setting the timing and conditions for when phased contractions or termination of the revision may occur.

§ 3283.3 How will the unit operator know the status of a unit contraction revision request?

BLM will notify the unit operator in writing of our decision. If we approve the request, we:

- (a) Will specify the term of the contraction extension and/or which lands will remain in the unit agreement;
- (b) May require the unit operator to update the informational requirements of subpart 3282; and
- (c) May terminate the participating area contraction revision if we find termination is necessary in the public interest.

§ 3283.4 When may the unit operator add lands to or remove lands from a unit agreement?

(a) The unit operator may request BLM to designate the addition or removal of lands to or from a unit agreement.

(b) In order for BLM to complete a review of the unit area revision request, the unit operator must submit to BLM the information required in §§ 3281.2, 3281.3, and 3281.7.

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- (c) BLM will:
 - (1) Review the request;
 - (2) Determine whether the information provided is sufficient and whether the new or additional geologic information or interpretation provides an acceptable basis for the unit boundary change; and
 - (3) Notify the unit operator in writing of our decision.
- (d) If BLM approves the revision, the unit operator must notify all owners of lease interests or mineral rights of the unit area revision.

§ 3283.5 When will BLM periodically review unit agreements?

BLM will periodically review all unit agreements to determine compliance with § 3283.6 in accordance with the following schedule:

- (a) Not later than 5 years after the approval of each unit agreement; and
- (b) At least every 5 years following the initial unit review.

§ 3283.6 What is the purpose of BLM's periodic review?

(a) BLM must review all unit agreements to determine whether any leases, or portions of leases, committed to any unit are no longer reasonably necessary for unit operations, and eliminate from inclusion in the unit agreement any such lands it determines not reasonably necessary for unit operations.

(b) The elimination will be based on scientific evidence, and occur only for the purpose of conserving and properly managing the geothermal resources.

(c) BLM will not eliminate any lands from a unit until BLM provides the unit operator, the lessee, and any other person with a legal interest in such lands, with reasonable notice and an opportunity to comment.

(d) Any lands eliminated from a unit under this section are eligible for a lease extension under subpart 3207 of part 3200 of this chapter if the lands meet the requirements for the extension.

§ 3283.7 When may unit operators be changed?

Unit operators may be changed only with BLM's written approval.

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§ 3283.8 What must be filed with BLM to change the unit operator?

To change the unit operator, the new operator must:

- (a) Meet the qualification requirements of § 3281.11;
- (b) Submit to BLM evidence of acceptable bonding under § 3214.13 of this chapter; and
- (c) File with BLM written acceptance of the unit terms and obligations.

§ 3283.9 When is a change of unit operator effective?

The change is effective when BLM approves the new unit operator in writing.

§ 3283.10 If there is a change in the unit operator, when does the previous operator's liability end?

(a) The previous unit operator remains responsible for all duties and obligations of the unit agreement until BLM approves a new unit operator. The change of the unit operator does not release the previous unit operator from any liability for any obligations that accrued before the effective date of the change (see § 3215.14 of this chapter).

(b) The new unit operator is responsible for all unit duties and obligations after BLM approves the change.

§ 3283.11 Do the terms and conditions of a unit agreement modify Federal lease stipulations?

Nothing in a unit agreement modifies stipulations included in any Federal lease.

§ 3283.12 Are transferees and successors in interest of Federal geothermal leases bound by the terms and conditions of the unit agreement?

The terms and conditions of the unit agreement are binding on transferees and successors in interest to Federal geothermal leases committed to a unit agreement.

Subpart 3284—Unit Operations

§ 3284.1 What general standards apply to operations within a unit?

All unit operations must comply with: